EXHIBIT 5

THE MERGER FUND
Mt. Kisco, New York

January 31, 1989

Westchester Capital Management, Inc.
11 High Meadows
Mt. Kisco, New York 10549

Gentlemen:

INVESTMENT ADVISORY CONTRACT

The Ayco Fund (doing business as The Merger Fund) (the "Company") has been established under the laws of The Commonwealth of Massachusetts by Declaration of Trust dated April 12, 1982, as amended, to engage in the business of an investment company. Its Trustees have selected Westchester Capital Management, Inc. (the "Adviser"), and the Adviser has agreed to act, as the investment adviser of the Company and to provide certain other services as more fully set forth below. Accordingly, the Company agrees with the Adviser as follows:

1. Delivery of Certain Documents.

The Company has furnished the Adviser with copies properly certified or authenticated of each of the following:

(a) Declaration of Trust of the Company, dated April 12, 1982, as filed with The Commonwealth of Massachusetts on April 12, 1982, and as in effect on the date hereof.

(b) By-laws of the Company as in effect on the date hereof.

(c) Resolutions of the Trustees of the Company selecting the Adviser as investment adviser and approving the form of this Contract.

(d) Registration statements of the Company as filed with the Securities and Exchange Commission, and amendments thereto.

From time to time, the Company will furnish you with copies, properly certified or authenticated, of all amendments of or supplements, if any, to the foregoing.

(e) Unaudited semi-annual financial statements and audited year-end financial statements of the Company sent to shareholders.

2. Advisory Services.

The Adviser will regularly provide the Company with investment research, advice, and supervision and will furnish continuously an investment program for the Company's securities portfolio consistent with the Company's investment objectives, policies, and restrictions. The Adviser will determine which securities shall be purchased for the Company, which portfolio securities shall be held or sold by the Company, and what portion of the Company's assets shall be held uninvested, subject always to the provisions of the Company's Declaration of Trust and By-Laws and of the Investment Company Act of 1940, as amended (the "Act"), and to the Company's investment objectives, policies and restrictions, as each of the same shall be from time to time in effect with respect to the Company or any series thereof and subject further to such policies and instructions as the Trustees of the Company (or any relevant committee thereof) may establish from time to time. The Adviser shall advise and assist the officers of the Company in taking such steps as are necessary or appropriate to carry out the decisions of its Trustees and the appropriate committees appointed by such Trustees regarding the conduct of the business of the Company.

3. Allocation of Charges and Expenses.

The Adviser will pay the compensation and expenses of all officers and executive employees of the Company and of all Trustees of the Company who are "interested persons" (as defined in the Act) and will make available, without expense to the Company, the services of such of the Adviser's officers, Trustees, and employees as may duly be elected officers or Trustees of the Company, subject to their individual consent to serve and to any limitations imposed by law. The Adviser will pay the Company's office rent and will provide investment advisory, research, and statistical facilities and all clerical services relating to research, statistical, and investment work. The Adviser will not be required to pay any expenses of the Company other than those enumerated above in this Paragraph 3. In particular, but without limiting the generality of the foregoing, the Adviser will not be required to pay: (i) clerical salaries; (ii) fees and expenses incurred by the Company in connection with membership in investment company organizations; (iii) brokers' commissions and other costs in connection with the purchase or sale of securities; (iv) legal, auditing, or accounting expenses; (v) interest and taxes or governmental fees; (vi) the fees and expenses of the transfer agent of the

Company; (vii) the cost of preparing share certificates or any other expenses, including clerical expenses, of issue, sale, underwriting, distribution, redemption, or repurchase of shares of the Company; (viii) the expenses of and fees for "non-interested persons" of the Company or the Adviser within the meaning of the Act; (x) the cost of preparing and distributing reports and notices to shareholders of the Company; (xi) all other expenses incidental to holding meetings of the Company's shareholders, including proxy solicitations thereof; (xii) the fees or disbursements of custodians of the Company's assets, including expenses incurred in the performance of any obligations enumerated by the Declaration of Trust or By-Laws of the Company insofar as they govern agreements with any such custodian; (xiii) expenses for servicing shareholders accounts; (xiv) insurance premiums for fidelity and other coverage; (xv) expenses of computing the net asset value of the shares of the Company; (xvi) such nonrecurring expenses as may arise, including actions, suits or proceedings to which the Company may be a party and the legal obligation which the Company may have to indemnify its Trustees and officers with respect to liabilities which they may incur in their capacity as such; and (xvii) any expenses of distributing the Company's shares which may be payable pursuant to a Plan of Distribution adopted pursuant to Rule 12b-1 under the Act.

4. Compensation of the Adviser.

For all services to be rendered and payments to be made as provided in Paragraphs 2 and 3 hereof, the Company will pay the Adviser, on the last day of each month, a monthly advisory and service fee equal to 1/12 of 1% of the value of the average daily net assets of the Company throughout the month. The value of the Company's average daily net assets shall be determined pursuant to the applicable provisions of the Declaration of Trust of the Company. If, pursuant to such provisions, the determination of net asset value is suspended for any particular business day, then, for the purposes of this Paragraph 4, the value of such net assets of the Company as last determined shall be deemed to be the value of such net assets as of the close of business on that day. If there is no business day in a month or if the determination of the net asset value of the Company's shares has been suspended pursuant to the Declaration of Trust of the Company for a period including such month, the Adviser's compensation payable at the end of such month shall be computed on the basis of the value of the average daily net assets of the Company as last determined by the Trustees of the Company (whether during or prior to such month).

5. Avoidance of Inconsistent Position.

In connection with purchases of sales of portfolio securities for the account of the Company, neither the Adviser nor any of its directors, officers, or employees will act as a principal or agent or receive any commission. The Adviser or its agent shall arrange for the placing of all orders for the purchase and sale of portfolio securities for the Company's account with the issuers or holders of such portfolio securities or with brokers or dealers selected by the Adviser. In the selection of such brokers or dealers and the placing of such orders, the Adviser is directed at all times to seek for the Company the most favorable execution and net price available, while reserving the ability to pay such commissions and receive such services as are permitted under Section 28(e) of the Securities Exchange Act of 1934 or otherwise permitted by law. Neither the Adviser nor any of its directors or officers will purchase shares of the Company for investment purposes at prices not available to the public at the time of such acquisition. If any occasion should arise in which the Adviser gives any advice to its clients concerning the shares of beneficial interest of the Company, the Adviser will act solely as investment counsel for such clients and not in any way on behalf of the Company. The Adviser's services to the Company pursuant to this Contract are not to be deemed to be exclusive and it is understood that the Adviser may render investment advice, management, and other services to others, provided, however, that such other services and activities do not, during the term of this Contract, interfere in a material manner with the Adviser's ability to meet all of its obligations with respect to rendering services hereunder.

6. Limitation of Liability of Adviser.

The Adviser shall not be liable to the Company or to any shareholder of the Company for any error of judgment or mistake of law or for any loss suffered by the Company in connection with the matters to which this Contract relates, except a loss resulting from willful misfeasance, bad faith, or gross negligence on the part of the Adviser in the performance of its obligations and duties under this Contract. Any person, even though also employed by the Adviser, who may be or become an employee of and paid by the Company shall be deemed, when acting within the scope of his employment by the Company, to be acting in such employment solely for the Company and not as an employee or agent of the Adviser.

7. Duration and Termination of this Contract.

Unless terminated as specified below, this Contract shall remain in force for a period of two years from the date hereof and from year to year thereafter, but only so long as such continuance is specifically approved at least annually by the vote of a majority of the Company's Trustees who are not interested persons of the Adviser or of the Company cast in person at a meeting called for the purpose of voting on such approval and by a vote of the Trustees or of a majority of the outstanding voting securities of the Company. This Contract may, on 60 days written notice, be terminated at any time without the payment of any penalty, by the Trustees of the Company, by vote of a majority of the outstanding voting securities of the Company, or by the Adviser. This Contract shall automatically terminated in the event of its assignment. In interpreting the provisions of this Contract, the definitions contained in Section 2(a) of the Act (particularly the definitions of "interested persons," "assignment," and "majority of the outstanding voting securities"), shall be applied as from time to time amended, subject, however, to such exemptions as may be granted by any rule, regulation, order, or no action position of the Securities and Exchange Commission.

8. Amendment of this Contract.

No provision of this Contract may be amended, waived, discharged, or terminated orally, but only by an instrument in writing signed by the party against which enforcement of the amendment, waiver, discharge, or termination is sought and no amendment, waiver, or discharge of this Contract shall be effective until approved by vote of the holders of a majority of the Company's outstanding voting securities and by the Trustees, including a majority of the Trustees who are not interested persons of the Adviser or of the Company, cast in person at a meeting called for the purpose of voting on such approval.

9. Miscellaneous.

It is understood and expressly stipulated that neither the holders of shares of the Company nor the Trustees shall be personally liable hereunder. The captions in this Contract are included for convenience of reference only and in no way define or limit any of the provisions hereof or otherwise affect their construction or effect. This Contract may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

11. Governing Law.

This contract shall be governed by the laws of the State of New York.

If you are in agreement with the foregoing, please sign the form of acceptance on the accompanying counterpart of this letter and return such counterpart to the Company, whereupon this letter shall become a binding contract as of the date first written above.

Yours very truly,

THE AYCO FUND d/b/a
THE MERGER FUND

By ______________________
Bonnie L. Smith, Vice President

The foregoing Contract is hereby accepted as of the date thereof.

WESTCHESTER CAPITAL MANAGEMENT, INC.

By ______________________
Frederick W. Green, President